

SERVICE LEVEL AGREEMENT EXHIBIT 2

MASTER SERVICE LEVEL AGREEMENT

This Master Service Level Agreement ("Agreement") is entered into by and between the Indiana Family and Social Services Administration, Division of Family and Children, ("the State"), and _____, a Corporation ("_____"), pursuant and subject to the terms and conditions of the Contract, effective January 1, 2003 and the terms and conditions set forth herein, for Services between the parties resulting from BAA 01-52 ("Contract") and Scope of Work document.

Business Objective and Scope

The objective of this Agreement is to establish explicit service level expectations for _____ in its execution of contracted services provided for in the Contract, as well as identify the "Monthly Operations Detail" cost by service category, Full Time Employees (FTE), monthly cost and 18 month cost for which payments to _____ will be made. This Agreement shall also establish the roles and responsibilities of _____ in providing services at the agreed upon levels, as well as any rewards or penalties to be assessed for failing to meet, or exceeding, the agreed upon service levels. _____ shall provide support services under this Agreement as set forth in the INDIANA FIRST STEPS PROGRAM Service Level Agreements (IFS-SLAs), which are attached hereto and incorporated herein by reference.

Services Included

The following items have been agreed upon by the State and _____ as performance measures to be tracked and reported by _____. IFS-SLAs for each of following areas are attached to this Agreement and supercede any Service Level Agreement language in BAA 01-52. Except as expressly identified below, there are no other service levels associated with the Contract.

Area	SLA Ref. #	Measure
Claims Processing Services	IFS-SLA001	1. Turn around time for claims processing 2. Payment Accuracy
Application Maintenance Services	IFS-SLA002	1. System Availability 2. Database and Database Extract Delivery
Call Center Services	IFS-SLA003	1. Availability/Abandon Rate 2. Response/Wait Time
Enhancement Services	IFS-SLA004	1. On Time Delivery

The IFS-SLA's attached hereto and incorporated herein are as follows:

IFS-SLA001 (Exhibit 3): Claims Processing Services
IFS-SLA002 (Exhibit 4): Application Maintenance Services
IFS-SLA003 (Exhibit 5): Call Center Services
IFS-SLA004 (Exhibit 6): Enhancement Services

Limitation on Penalties

A penalty will be applied by the State by reducing the service amount paid to the Contractor for failure to deliver and/or provide a specified service level only when the failure is due solely to the Contractor's actions or inactions. The maximum penalty that may be assessed to _____ in any one month will be no greater than 10% of total monthly invoice operations amount less any pass through costs. The maximum penalty shall apply in the event _____ fails to meet multiple service levels within a month, _____ shall not be assessed any penalties if its failure to meet a service level is the result of or related to a failure for which _____ was previously penalized. Penalties incurred will be deducted from the monthly invoice following the month in which the penalty was incurred.

Penalties incurred in any of the Service Level Agreements, with the exception of any Enhancement Service Level Agreement, will be reduced by available Service Credit Pool accumulated amounts. Penalties for Enhancements as defined within the contract terms and conditions will be assigned and applied separately and apart from any penalties applied to other contract deliverables.

Review of the INDIANA FIRST STEPS PROGRAM Service Level Agreements (IFS-SLAs)

During the term of the Contract, the _____ Delivery and Account Managers, and THE INDIANA FIRST STEPS PROGRAM Manager, the Deputy Director of the Bureau of Child Development in the Division of Family and Children and other designated the State support staff from Financial Management, Technology Services and Legal Services will meet quarterly to review IFS-SLAs.

The State and _____ shall meet every six months during the term of the contract for the purpose of reviewing and improving the IFS-SLAs for all of the Supported Services, in order to reflect changes in technology, the State's business improvements, and other relevant changes in circumstances. An IFS-SLA Annual Review Report will be completed and sent to the State's Directors of Technology Services, the Division of Family and Children and to _____ Delivery Manager at the Indianapolis Office, wherein new IFS-SLA definitions required will be defined and existing IFS-SLAs will be confirmed.

Recognizing that service level agreements are designed to be modified as the contract proceeds, either the State or _____ may, at any time, upon thirty (30) days' prior written notice to the other, initiate negotiations to review and initiate changes to any IFS-SLA that either the State or _____ reasonably believes to be in need of adjustment. _____ shall agree to any change request that does not materially increase the resources, effort, or time necessary to perform the Support Services or does not adversely impact _____' risks hereunder. _____ shall implement all IFS-SLA adjustments upon which the State and _____ mutually agree in writing, within an acceptable timeframe, and will provide adjustments or amendments to the IFS-SLA as agreed.

Service Level Performance Dispute Resolution Process

Disputes between the State and _____ regarding Service Level Performance in a contract month will be escalated to the State First Steps Project Manager, the _____ Delivery Manager, and the Program Director for the First Steps Program (or their appropriate designees) for resolution. If resolution of dispute cannot be achieved, the matter will be further escalated to the _____ Midwest Public Sector Vice President and the Deputy Director of the Bureau for Child Development. If resolution of dispute cannot be achieved, the matter will be handled as defined in the dispute resolution provisions of this Contract.

IFS-SLA Reports

In addition to the IFS-SLA Annual Review Report above, as part of this Agreement, _____ shall provide a monthly IFS-SLA Compliance and Exception Report to the State within 10 business days after the completion of the prior month. _____ shall transmit the IFS-SLA reports in the format upon which the State and _____ mutually agree. The IFS-SLA reports shall address specific process improvements _____ proposes to implement in order to meet or exceed the required IFS-SLAs.

Monthly Operations Detail			
Service Category	FTE	Monthly Cost	18 Month Cost
Claims Processing			
Operations Center Manager	0.025	\$330.06	\$5,941.08
Operations Supervisor	0.200	\$1,173.54	\$21,123.72
CRO Participant and Provider Support	1.000	\$3,447.26	\$62,050.68
CRO Participant and Provider Support	0.500	\$1,723.63	\$31,025.34
CRO Operations Support	1.000	\$3,667.30	\$66,011.40
CRO Operations Support	1.000	\$3,667.30	\$66,011.40
	Category Total:	\$14,009.09	\$252,163.62
Provider Enrollment			
Operations Center Manager	0.025	\$330.06	\$5,941.08
Operations Supervisor	0.200	\$1,173.54	\$21,123.72
CRO Participant and Provider Support	1.000	\$3,447.26	\$62,050.68
	Category Total:	\$4,950.86	\$89,115.48
System Operations			
Technical Support	0.150	\$1,760.30	\$31,685.40
	Category Total:	\$1,760.30	\$31,685.40
Application Maintenance			
Programmer Operations Support	0.500	\$4,767.49	\$85,814.82
Programmer Operations Support (625 Hrs)	0.300	\$2,860.49	\$51,488.82
	Category Total:	\$7,627.98	\$137,303.64
Engagement Management			
Delivery Manager	0.330	\$4,840.84	\$87,135.12
Project Manager	1.000	\$12,202.28	\$219,641.04
	Category Total:	\$17,043.12	\$306,776.16
Help Desk			
Operations Center Manager	0.050	\$660.11	\$11,881.98
Operations Supervisor	0.350	\$2,053.69	\$36,966.42
CRO Participant and Provider Support	1.000	\$3,447.26	\$62,050.68
CRO Participant and Provider Support	0.500	\$1,723.63	\$31,025.34
CRO Participant and Provider Support	0.500	\$1,723.63	\$31,025.34
Help Desk	0.750	\$4,400.76	\$79,213.68
Help Desk Liaison	0.500	\$3,300.57	\$59,410.26
	Category Total:	\$17,309.65	\$311,573.70
	Operations Total:	\$62,701.00	\$1,128,618.00